

New SCO Year-end Reporting Requirements for FY 2009-10

The State Controller's Office (SCO) recently released their FY 2009-10 Year-End Financial Reports Procedure Manual, Budgetary/Legal Basis for reporting as of June 30, 2010. CALSTARS agencies should thoroughly review SCO's reporting instructions as there are several major changes that were not included in the CALSTARS Procedures Manual (CPM). Below is the link to SCO's Year-End Financial Reports Procedure Manual:

http://www.sco.ca.gov/Files-ARD/BudLeg/2010_blbrinstr.pdf

The following is a summary of the major changes that were not included in the updated CALSTARS Procedures Manual, Volume 7, Transmittal Letter 14-7, dated 3/9/2010:

Due From Other Funds (GL 1400) & Due To Other Funds (GL 3110)

New for the FY 2009-10 year-end reporting cycle, SCO is requiring agencies provide a breakdown by org code for their Due To/Due From accruals and adjustments. SCO included a sample spreadsheet format in their Year-End Financial Reports Procedure Manual on page 17.

To assist CALSTARS agencies in providing this year-end information, we recommend that vendor numbers are used on all accruals for GL's 1400/3110, so the related agency name will appear on the D09 – Document Report by GL, Subsidiary, and Document Number ordered at I,P,O,F Level 0,1,0,1. Use the Uniform Codes Manual (UCM) to identify the corresponding 4-digit org code based on the agency name.

Adding the 4-digit org code to the beginning of the Vendor Name field of the Vendor Edit Table for all vendor type 3 records, would eliminate the additional step of identifying the corresponding org code in UCM. The org code and agency name would be displayed in the Vendor Name field on the Document File.

CALSTARS does not recommend adding org codes to the last 4-digits of the subsidiary numbers on their D-32 Subsidiary Descriptor Table records. Doing so would be cumbersome for keying and liquidating documents, and would require agencies to subtotal their subsidiary amounts in order to post them to the Report 1 – Report of Accruals to Controller's Accounts.

If agencies have Monarch, the required year-end reporting information could be easily extracted from the D09 Report with a D09 Monarch model. If your agency needs a D09 model, please contact the CALSTARS Hotline at (916) 327-0100.

GL's 1410/3114

SCO expects agencies to submit a spreadsheet identifying the related agency org codes for their accruals and adjustments to GL's 1410/3114.

Due From Other Funds & Due To Other Funds (continued)

GL's 1420/3115

SCO recently revised Report 1 - Form 571 & Report 3 – Form 576 to allow input of subsidiary information immediately following GL account numbers 1420 and 3115. Agencies should enter the appropriate 4-digit org code in the space provided. If accruals and adjustments for GL's 1420/3115 include more than one related org code, additional lines should be entered on Form 571 A/B, and/or Form 576 A.

Automated Year-End Reporting Process (DB3)

The DB3 – SCO/CALSTARS Auto Year End Report for the FY 2009-10 reporting cycle will not be revised to meet the new requirements for this reporting cycle. Agencies will need to provide the required information on a separate spreadsheet.

Non-Governmental Fund Year-End Reports

Provide additional information for Reports 7 & 8 GL's 1410/1420 and GL's 3114/3115 on a separate spreadsheet.

Certification Letters

SCO revised the format of the fund certification letters for both Governmental and Non-Governmental Cost Funds. Use the sample certification letters in SCO's Year-End Financial Reports Procedure Manual, instead of the samples contained in the CPM, Volume 7, Chapters IV-A, IV-B, and V.

Intangible Assets (GASB 51)

The Governmental Accounting Standards Board (GASB) issued Statement # 51 regarding intangible assets effective with the FY 2009-10 year-end reporting cycle. SCO is requiring agencies report any intangible assets in financial Reports 18 & 19 for June 30, 2010. The State Administrative Manual (SAM) and UCM will be updated with the new GLs for intangible assets. Department of Finance will issue a Budget Letter soon to notify agencies of the new procedures for intangible assets.

Year-End Reports Checklist

CALSTARS recommends agencies use the SCO Year-end Checklist on Pages 35-46 of the SCO's Year-end Financial Reports Procedure Manual, in addition to the CALSTARS Year-End Reports Checklist contained in CPM, Volume 7, Chapters IV-A and IV-B.